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United States Government

Department of Energy
Oak Ridge Operations Office

memorandum

DATE: July 3, 2002

REPLY TO
ATTN OF: AD-442:Clifton

SUBJECT: **FEDERAL LONG TERM CARE INSURANCE PROGRAM OPEN SEASON AND SATELLITE BROADCAST**

TO: All ORO, YSO, and OSTI Employees

The Federal Long Term Care Insurance Program (FLTCIP) open season began on July 1 and ends on December 31, 2002. A live satellite broadcast on the FLTCIP will be held on July 17 from 12:30 to 1:30 p.m. in Room B-12 of the Federal Building and in the Office of Scientific and Technical Information Assembly Room. This broadcast will cover features and benefits of the FLTCIP including eligibility to apply, the application process, how and where to get information, and what happens during Open Season.

In the near future, you will receive a specific announcement about the FLTCIP provided by Long Term Care (LTC) Partners. Upon receipt, you are asked to request an FLTCIP Open Season Kit. You should request a Kit even if you are not sure whether you want to participate in the FLTCIP. Each Kit includes information and an application that should be completed and returned to LTC Partners within 60 days of receipt. You may request a Kit through one of the following methods:

- Return the postage-paid card contained in the announcement provided by LTC Partners, or
- Call the toll-free number (1-800-LTC-FEDS or 1-800-582-3337; TDD for the hearing impaired is 1-800-843-3557), or
- Visit the website (www.ltcfeds.com)

Employees will not receive a Kit automatically. If you want one, you must request it through one of the three methods discussed above. LTC partners will mail Open Season Kits directly to requestors throughout Open Season. **This office will NOT have Open Season Kits and applications available for employees.**

During Open Season, most individuals eligible to apply using the abbreviated underwriting application will be able to submit their application electronically through the website (www.ltcfeds.com). Employees who apply for the unlimited benefit period using either the abbreviated or the full underwriting application can complete the application online; then print, sign, and mail it. This process and terms are explained further in the attachment. If you are applying for payroll deduction of premiums under the FLTCIP, you will need to use our payroll office identifier code **89000001.**

Frequently asked questions about the FLTCIP are attached. If you need clarification or desire additional information, please contact Cathy Clifton at (865) 576-0680. You may also contact LTC Partners directly at info@ltcpartners.com, or at one of the telephone numbers listed above.

Melanie M. Kent

Melanie M. Kent, Chief
Personnel and Management
Analysis Branch

Attachment

Federal Long Term Care Insurance Program
Frequently Ask Questions

Who is eligible to apply for coverage in the FLTCIP?
Federal civilian and Postal employees are eligible to apply for FLTCIP coverage if they are in a position that conveys eligibility for Federal Health Benefit (FEHB) coverage. An employee does not need to be enrolled in FEHB, just eligible to enroll.

Employees must be in a position that conveys eligibility for FEHB at the time they apply for FLTCIP coverage. If an employee has FEHB coverage due to previous eligibility and continuity of coverage provisions, but the employee's current position does not convey FEHB eligibility, the employee is **not** eligible to apply for FLTCIP coverage.

Federal civilian annuitants, including surviving spouses, other survivor annuitants, FERS MRA+10 annuitants, deferred annuitants (when they are receiving annuities), and compensationers, are eligible to apply for the insurance coverage. There is no "five-year rule" for the FLTCIP, as there is for the FEHB program.

Are my relatives eligible to apply?
The current spouse of an eligible person noted above may apply for coverage. This includes a surviving spouse of a member or retired member of the uniformed services who is receiving survivor annuity. Receipt of Dependency and Indemnity Compensation (DIC) from the Department of Veterans Affairs qualifies as a survivor annuity.

A former spouse is not eligible, even if he/she is eligible for FEHB coverage and/or is eligible for or receiving an apportionment of a survivor annuity.

The parents, parents-in-law, and stepparents of living employees or living members of the uniformed services are eligible to apply (but those of annuitants and retired members of the uniformed services are not). Parents-in-law include the parents of a deceased spouse, as long as the employee or member of the uniformed services has not remarried. A stepparent is the person who is currently married to the employee's parent, or if the parent is dead, the person who was married to the employee's parent at the time of his/her parent's death.

The adult children (age 18 or over) of living employees, living annuitants, or living members or living retired members of the uniformed services are eligible to apply. This includes natural children, adopted children and stepchildren. Foster children are not eligible to apply.

There are no self and family enrollments in the FLTCIP. Each person must submit his/her own application and pass underwriting on their own. However, payment of premiums can be consolidated (e.g., employees may choose to pay the premiums for their spouses by payroll deduction).

Qualified relatives may apply even if the employee, annuitant, member or retired member of the uniformed services to whom they are related does not apply or applies and is not approved for coverage.

How does someone show eligibility?
The FLTCIP relies on self-certification of an applicant's eligibility. Employing offices are not expected to check or verify an applicant's eligibility status. The applicant's signature in the Agreement and Authorization section of the application signifies that the answers the applicant has given on the form (including his/her status as an eligible individual) are true and complete. This signature also attests that the applicant understands that if he/she is approved for coverage, but shouldn't have been because one or more answers are not true, LTC Partners has the right to deny benefits or cancel the insurance.

An enrollee who misrepresents his/her inclusion in an eligible group on the application risks losing coverage, and there is no time limit on this. Incontestability doesn't apply in this case.

Can an employee in a nonpay status apply?
An employee should not apply for FLTCIP coverage while in nonpay status. The coverage will not become effective as long as the employee is in a nonpay status. And the application may no longer be valid by the time the employee returns to pay status, because health and eligibility may have changed.

An employee returning to pay status during the Open Season will have 60 days from the date he/she returns to pay status, or until the end of the Open Season, whichever provides more time, to apply for coverage with abbreviated underwriting.

An employee returning to pay status after the end of Open Season will have 60 days from his/her return to apply for coverage with abbreviated underwriting.

Note: the 60-day period only applies if the employee has been in a nonpay status in aggregate for over one-half of the Open Season. An employee who has been actively at work for at least half of the Open Season has already had ample opportunity to get information about the Program and to apply for coverage without the need for this special provision.

What's the advantage of applying during Open Season?
During the Open Season, Federal civilian and Postal employees, members of the uniformed services, and their spouses, can apply for the FLTCIP using an abbreviated underwriting application that asks only a FEW health-related questions. After Open Season, they must use a full underwriting application that contains more health-related questions.

Another advantage is that all Open Season applicants will have premiums based on their age as of July 1, 2002, no matter when during Open Season they apply. For example, someone who turns age 55 in August applying for coverage in October will get age 54-based premiums, since that was his/her age on July 1.

Will Open Seasons be scheduled annually?
No. There will be future Open Seasons, but not on a regular or frequent basis.

What happens after Open Season?
After Open Season, eligible persons can still apply for FLTCIP coverage, but all who apply must complete a full underwriting application. Premiums will be based on the applicant's age at the time LTC Partners receives the application. New employees, employees in newly eligible

positions, and their spouses can apply using the abbreviated application within 60 days of becoming eligible to apply. After that 60 days, they would have to use the full underwriting application.

Some employees didn't apply during Early Enrollment because they knew they wouldn't pass underwriting, and the instructions on the application told them not to send it in if they answered yes to any of the questions. Should they still consider applying during Open Season?

ABSOLUTELY, because there are more options available during Open Season for persons who won't pass the underwriting. There is an alternative insurance plan for some employees and spouses who are denied the coverage they applied for. It provides more limited insurance coverage (nursing home-only coverage, with a 180-day waiting period). There is also a service package for all who are declined insurance coverage (access to care coordination services and provider discounts for a small annual fee).

What is underwriting?

Underwriting is the process of reviewing medical and health-related information furnished in an insurance application process to determine if the applicant presents an acceptable level of risk and is insurable.

What is abbreviated underwriting?

In this type of underwriting, the application has several health-related questions designed to determine who may be immediately eligible for benefits, or likely to be eligible for benefits within a relatively short period of time. Employees and members of the uniformed services who apply for the insurance coverage will answer seven questions, and their spouses who apply will answer nine. Those applying for the unlimited benefit period will have to answer a few additional questions, sign a release giving access to medical records, and perhaps have an interview with a nurse.

What is full underwriting?

In this type of underwriting, there are quite a few more health-related questions. It may also include a review of medical records and perhaps an interview with a nurse. This is the same level of underwriting that those who purchase individual policies in the private market undergo.

When will coverage become effective?

Once LTC Partners approves an application for coverage, it will send notice of the approval to the applicant and provide an "original effective date" of coverage. An employee must be "actively at work" for at least half of his/her regularly scheduled work hours on that date for coverage to take effect (or on the last workday before that date, if it falls on a weekend or holiday).

If employees work other than a full-time schedule, and the original effective date falls on a date that they are not scheduled to be at work, then they must meet the "actively at work" requirement on their closest workday before that original effective date.

Applicants are solely responsible for letting LTC Partners know if they do not meet the "actively at work" definition on the original effective date.

What's the definition of "Actively at work?"
"Actively at work" means that a Federal civilian or Postal employee meets ALL of the following conditions:

- The employee is reporting for work at the usual place of employment or other location to which Government business requires him/her to travel; and
- The employee is able to perform all the usual and customary duties of employment on his/her regular work-schedule; and
- The employee is not absent from work due to sickness, injury, annual leave, sick leave or any other leave. (An employee is not considered to be on leave on his/her alternate work schedule's scheduled day off.)

What happens if the employee is not "actively at work" on the original effective date?
If the employee does not meet the actively at work definition on the original effective date, he/she is obligated to contact LTC Partners with that information. LTC Partners will then issue a revised effective date, which is the first day of the month after the date the employee returns to being actively at work. However, for coverage to become effective on the revised effective date, the employee must meet the actively at work requirement on that date as well. If LTC Partners discovers that an employee was not actively at work on the "effective" date of his/her coverage, benefits will never be paid because coverage never went into effect.

Are effective dates always on the first day of a month?
Yes. Effective dates will always be on the first day of a month. If a coverage effective date falls on a weekend or a holiday, the employee must be actively at work on the last workday before that date. Many employees will have original effective dates of October 1, 2002, since that is the first date that an Open Season enrollment can take effect. November 1, December 1, and January 1 will also be common original effective dates. Since coverage will not become effective when the employee is not actively at work on his/her original effective date, employees may wish to carefully consider the scheduling of leave on that date. Since December 1 falls on a weekend, an employee must be actively at work on November 29 for coverage to take effect with a December 1 original effective date. For a January 1, 2003, effective date, an employee must be actively at work on December 31, 2002, for coverage to take effect, since January 1 is a holiday.

What happens if an employee's eligibility status changes before the coverage effective date?
If an employee retires after applying for coverage but before the coverage becomes effective, the coverage will not go into effect. If the employee still wishes to have the coverage, he/she must reapply for coverage using the full underwriting application required of annuitants. An employee applying for FLTCIP coverage who is considering retirement may wish to consider delaying retirement until after his/her FLTCIP coverage has gone into effect.

An employee, who otherwise separates from service (i.e., not through retirement) after he/she applies for coverage, but before the coverage becomes effective, loses eligibility to apply for insurance coverage under the FLTCIP. An employee applying for FLTCIP coverage who is planning to separate from service may wish to consider delaying his/her separation date until after his/her FLTCIP coverage has gone into effect.

Is coverage portable?

Yes, once it is effective FLTCIP coverage is fully portable. An enrollee can continue coverage as long as he/she pays premiums. This includes when an employee separates or retires from Federal service, or when a qualified relative loses eligibility status (such as through divorce). There are no requirements to carry it for any length of time before retirement or separation. Premiums do not change just because an employee retires or leaves an eligible group.